

Re: Raised Bill No. 6526: An Act Concerning Electric Suppliers

LETTER TO SERVE AS WRITTEN TESTIMONY IN SUPPORT IN PART; AND IN
OPPOSITION IN PART

Distinguished Members,

Starion Energy, Inc. (“Starion”) is a retail electric supplier that services residential, small business and commercial customers here in Connecticut as well as in eight other states and the District of Columbia. Starion is a Connecticut based business, which has been in operation for 11 continuous years with its current offices located in Middlebury, CT. In fact, despite the challenges facing many local businesses in the state due to the pandemic, Starion has been able to bring more jobs to Connecticut as we transition to bringing our customer service in-house.

Our current Connecticut customer base comprises of approximately 16,000 residential customers and 850 business customers. In Connecticut, Starion offers Fixed Price plans: including a standard product that meets the Connecticut RPS requirements and two Voluntary Renewable Products (100% National Wind or 100% New England Green).

Many suppliers, including Starion, have been working with PURA in a collaborative process for several years through rulemaking dockets as well as in the preparation of this bill language. As you can see from RESA’s testimony, there has been a 94% reduction in consumer complaints in Connecticut since 2014. In fact, Starion has only received five complaints at PURA over the last three calendar years.

The consumer protections put into place and further development of the EnergizeCT.com website over the last several years have increased transparency to retail supply consumers. Consumer protections that advance, but not harm the customer experience are what Starion believes is in the best interest of consumers. As such, Starion hereby submits this letter in support of certain passages of Raised Bill No. 6526, and in opposition to others, as set forth below:

Lines 4-6 state “No contract for electric generation services by an electric 5 supplier shall require a residential customer to pay any fee for 6 termination or early cancellation of a contract.” This revision removes the existing fifty-dollar (\$50.00) early termination fee cap for residential customers. Starion has not enforced early termination fees on its residential customers and, therefore, has no objection to the amendment.

Lines 49-57 revise the existing contract renewal notification provisions of the law and specifically prohibit a retail supplier from automatically renewing a contract with its customer. Starion strongly objects to this proposal, as it inconsistent with consumer

expectations. Consumers, particularly those who choose to shop for their retail electricity supplier, understand and even expect continuity in the products and services they purchase, until they choose otherwise. For example, television, internet, streaming services, cell phone plans, all lines of insurance, home security, and Amazon and Costco memberships are all examples of services that automatically renew and continue until the customer chooses otherwise.

Moreover, Connecticut consumers are made aware of the rates and terms that apply once the contract automatically renews. Unlike many of the examples above, the existing rules governing suppliers in Connecticut **require**:

- (1) that customers receive clear information regarding the contract renewal terms at the time of contracting. In addition to the terms and conditions, these renewal provisions are clearly explained in the Connecticut Contract Summary, a one-page document that highlights the key contract provisions for the customer;
- (2) a notice to the customer sent 30-60 days prior to the expiration and automatic renewal, sent via the customer's chosen method for receiving communications. This notice clearly informs the customer of the price and term that will apply after the automatic renewal of the contract, when the contract will renew, and how to opt-out of automatic renewal of the contract.
- (3) Price changes are listed on the consumer's electric bill two billing cycles prior to the effective date of the price; and
- (4) If a rate is going to increase by 25% or more, a separate rate increase notice is required.

Furthermore, based on the notices that customers already receive it is disingenuous to assume that a customer is not choosing to remain with their supplier for the next term. In fact, there is no record that establishes that consumers lack understanding or are complaining about the current renewal process. If there was evidence of customer confusion, Starion would be interested in examining those and working with stakeholders to develop a solution.

Starion customers will be harmed by instituting a ban of automatic contract renewal. Starion customers have chosen our services and are used to the continuity of those services. Therefore, customers could be unknowingly returned to their utility's standard service, despite choosing to receive service from Starion instead. This may result in the consumer paying more for their supply and/or a loss of value-added benefits that Starion provides. For example, Starion offers its Starion Rewards program, which provides savings benefits to consumers while they are an existing customer, and awards a reward benefit every 6 months that they remain our customer. Additionally, many of our customers have remained with Starion for several years.

Starion respectfully requests that the Members of the Energy & Technology Committee modify the bill language as suggested above.

Very truly yours,

Robert Bassett
Director, Compliance & Regulatory Affairs
Starion Energy, Inc.